



# **USAF Worldwide Contracting Conference**

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**Presented By:**

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Director**

**08 OCT 04**

# What We Do

## ***Drive Customer Outcomes!***

### **Provide Customer Focused Acquisition Support Services**

- Right Item = Quality
- Right Time = On-Time Delivery
- Right Price = Value for Money

**Vision:** The Indispensable Partner, Chosen by our Customers for the Best Solutions.

**Mission:** Provide **Customer Focused Acquisition** Life Cycle and Combat Support to Ensure Readiness, Worldwide, 24/7

### **Combat Support Agency**

- Military Operations
- Readiness of Fielded Systems
- Modernization of Military Equipment
- Industrial Surge - During Conflict



# Full Service Acquisition

## Impact

### ***Scope of work***

- All major weapons system programs
- \$1,261B in Contract "Face Value"
- \$144B Unliquidated Obligations
- 316,119 Contracts
- 16,166 Contractors
- Flight Operations (1200 Aircraft/yr)
- \$91B Government Property in plant
- \$7B Progress Payments
- \$16B Performance Based Payments
- All ACAT 1 and 2 Programs



### ***Span of Control***

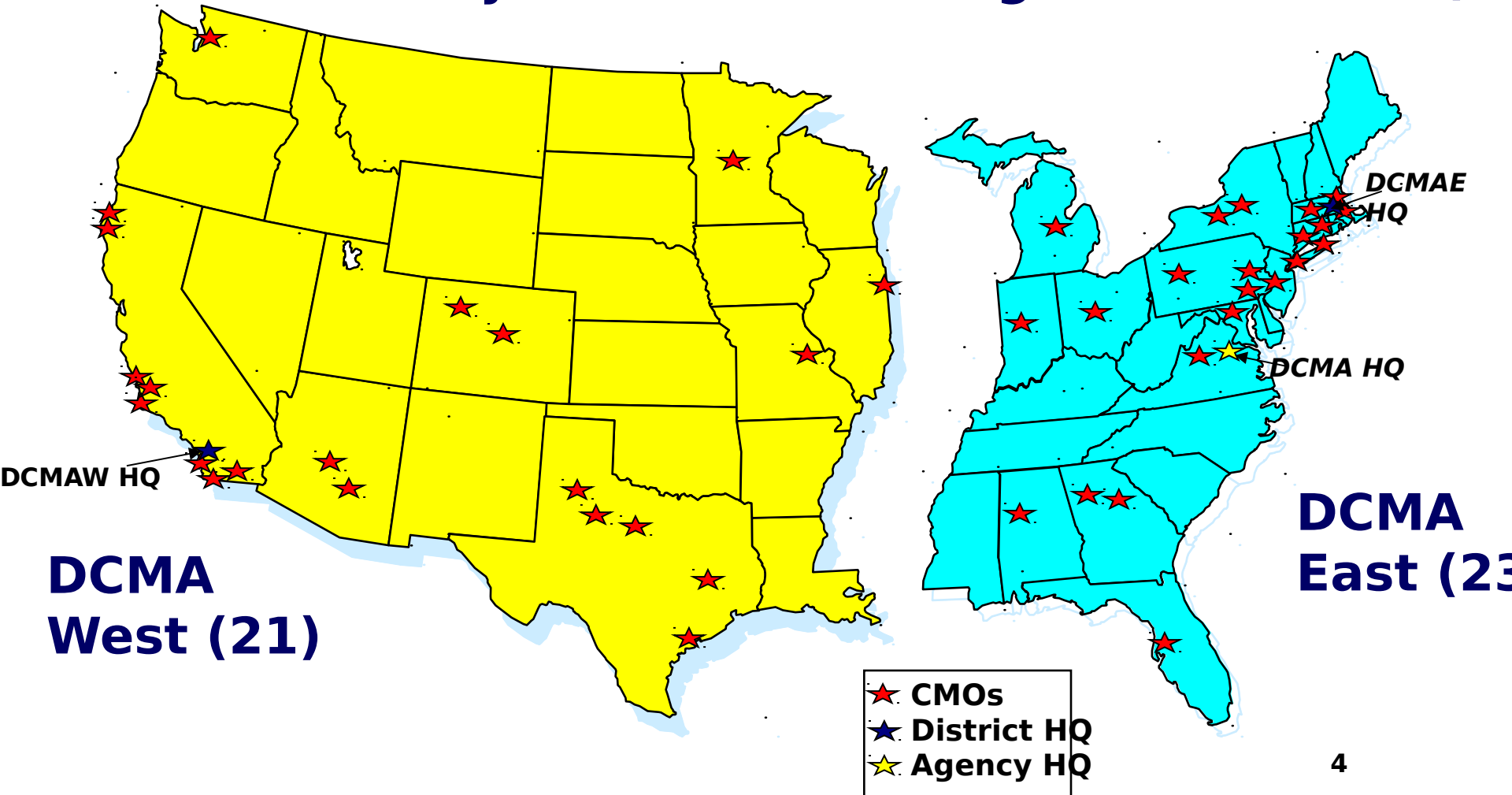
- 11,500 Professionals
  - ACOs, PI, AQ, ENgr, IS, Prop
- 623 Military Personnel
- Over 900+ Locations Worldwide
- 50 Major Field Commands
- \$1.1B Budget Authority
- \$92B Reimbursable/Foreign Military Sales
- Combat Support Agency



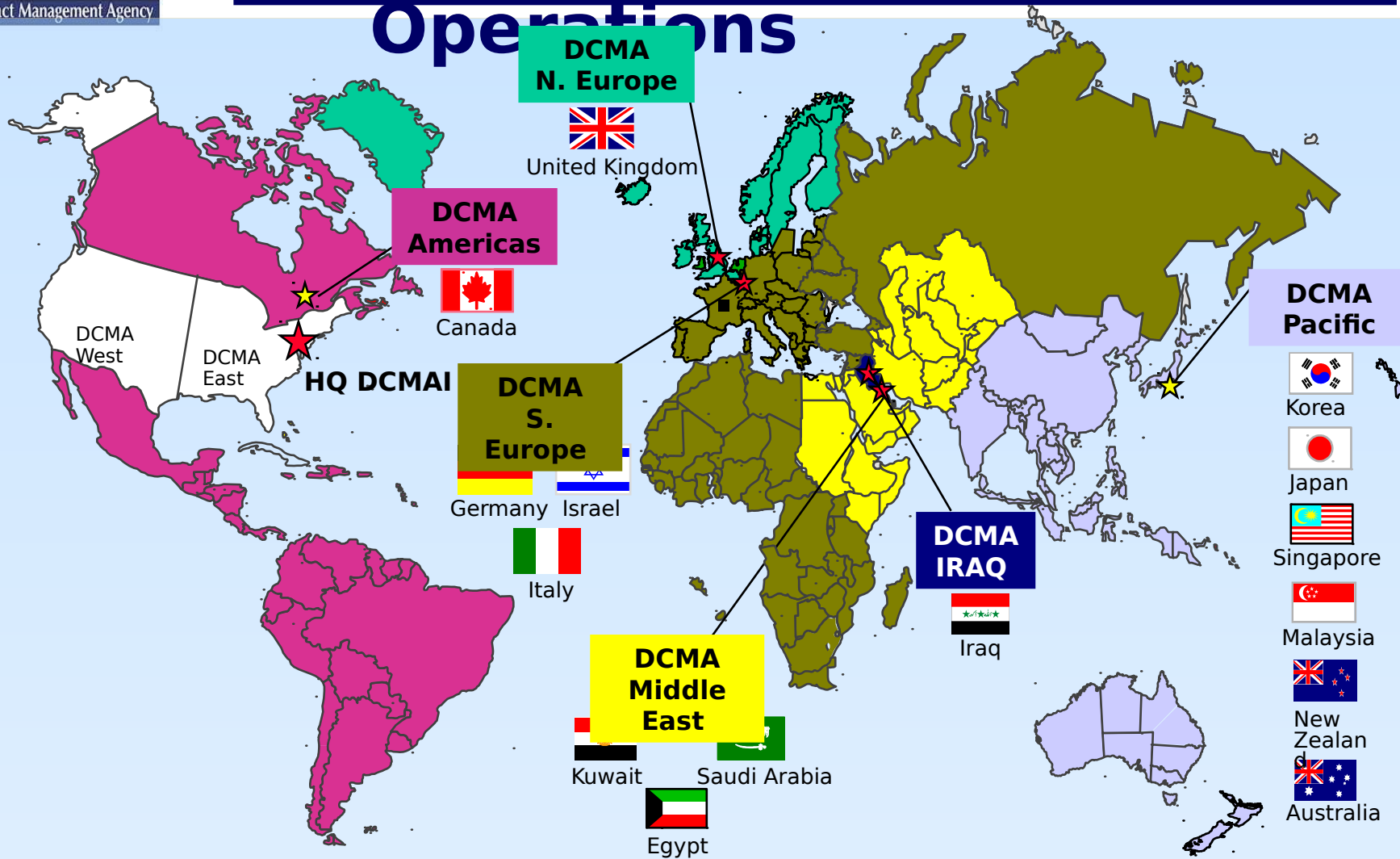
# Districts East & West

## Current DCMA Structure

total 44 CONUS Major Contract Management Offices (CMOs)

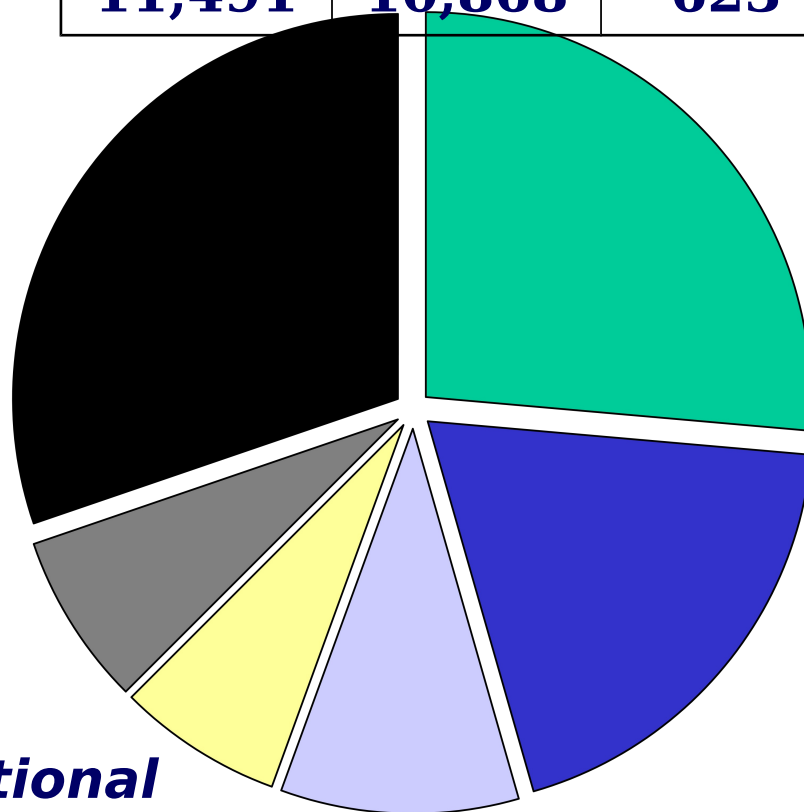


## Worldwide Operations



# Workforce Demographics

<i>On board</i>	<i>Civilian</i>	<i>Military</i>
<b>11,491</b>	<b>10,868</b>	<b>623</b>



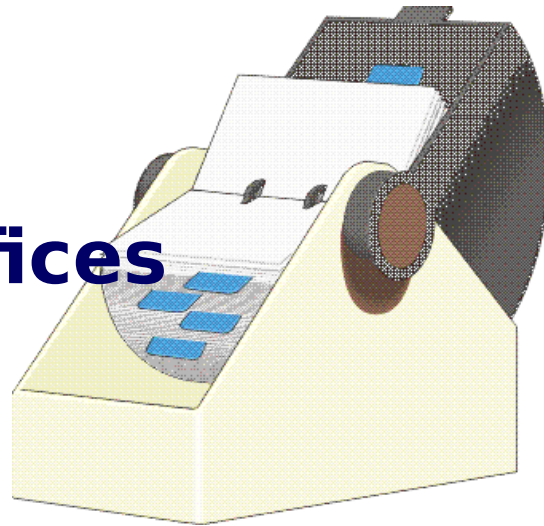
- **GS 1910 (26%)**  
(Quality Assurance)
- **GS-1102 (19%)**  
(Contracts & Pricing)
- **GS-1101 (10%)**  
(Gen'l Business)
- **GS-0800 (7%)**  
(Engineering)
- **GS-1150 (7%)**  
(Industrial Specialist)
- **Occupational series widely distributed (30%)**

**Key occupational series comprise 70% of workforce**  
as of 6/30/2004



# Who are our customers?

**Soldiers  
Sailors  
Airmen  
Marines  
Program Offices  
Joint Staff  
ICPs  
OSD Staff  
NASA/Civilian Agencies  
FMS (DSCA)  
Congress/Taxpayer  
Contractors**



**vs Work Initiators**

**FAR**  
**PCOs**  
**SAEs**  
**PMs**  
**PEOs**  
**Contractors**  
**DDP**  
**Acq Reform**  
**DFARS**

# Examples of what we do

- **Acquisition Planning Support Services**
- **Assist with source selection of contractors**
- **Establish overhead rates**
- **Review and approve progress and other payments**
- **Conduct pre-award surveys**
- **Definitize contracts**
- **Perform contractor surveillance**
- **Accept product and services (DD 2)**
- **Monitor government property**
- **Analyze and negotiate contractor changes**
- **Engineering changes**
- **Validate contractor entitlement to payments**
- **Contract closeout**
- **Contingency contract administration services**

*Contractors' Facilities or  
Where the Work is Being Done*





***Things you may not know  
about DCMA...***

# DCMA

Defense Contract Management Agency

# DCMA: Supporting Contingencies

**Perform Worldwide Contingency Contract Administration Services (CCAS) in Support of Contingency Operations Based on a Acquisition Maturity & Mission Requirements**

Turkey 2003

Republic of Georgia 2002-2003

Tajikistan & Kyrgyzstan 2001

Pakistan 2001-2002

Bahrain 2001-2002

Jordan 2003

UAE 2002

DCMA Pacific Philippines 2002-2003

**DCMA Southern Europe - Bosnia and Kosovo 1999 - 2000**

LOGCAP, AFCAP, & then Some

FY 02 - 30  
FY 03 - 62  
FY 04 - 86  
FY 05 - ~97

Business Deals [contracts]; \$Billions Managed by Acquisition and Technical professionals

We leverage all Military, Active and Reserve, and our Civilian Workforce

Warriors' Advocate to Contract Management with Weapon System Feedback

**DCMA Middle East- 32**

Kuwait 2002 -16

Afghanistan 2002-2003

Uzbekistan 2001-2002

Qatar 2001-2002

Djibouti 2002 -2003

**DCMA Iraq 2003 - 47**

# DCMA DCEs, CACOs and DACOs

- Defense Corporate Executives are DCMA's Corporate Administrative Contracting Officers (CACOs) for the top five Defense Contractors:
  - *Boeing*
  - *General Dynamics*
  - *Lockheed Martin*
  - *Northrop Grumman*
  - *Raytheon Corporation*



# **DCMA DCEs, CACOs and DACOs**

- **CACOs are responsible for corporate contract management issues at multi-division contractors with over \$500 million in Government sales.**
  - Negotiates corporate cost allocations to segments and residual business expenses
  - Advises customers on the overall financial health of the corporation
  - Negotiates advance agreements on the treatments of costs as they effect the entire corporation
- **Divisional Administrative Contracting Officers (DACOs) are responsible for contract management issues at major company segments.**
  - Not a specific program team ACO
  - Negotiates segment indirect rates and factors
  - Advises customers on the status of the segment's business systems and resolves any unsatisfactory conditions
  - Works with the CACO to resolve any business system anomalies that effect more than one segment

# Transportation & Traffic Management

- Ensure contractor compliance with FAR & Transport regs
- Support CONUS/OCONUS recovery of lost or frustrated cargo
- Facilitate ~ 300,000 shipments annually by military and commercial air, motor, rail, & ocean of new equipment, weapons systems, repair parts, food, ammo, FMS, etc.
- Approve carrier payment utilizing US Bank's PowerTrack
- Support Components' special requests for transportation services

*We authorize more shipments in the DoD transportation system than any other customer*

## ***Consolidates unique, scarce resources for synergy & leveraging***

### ***leveraging***

- **Contract Closeout Center:** Resolves issues & facilitates the contract closeout process.
- **Industrial Analysis Center:** Supports DoD corporate level industrial analyses for major weapons acquisition, logistics, & readiness programs.
- **Combat Operations Center:** Manages DCMA's combat support functions.
- **Contract Insurance Pension Center:** Principal advisor to the Director, Contract Business Operations Division on contractor insurance & pension reviews.
- **Contract Disputes Resolution Center:** Provides full range dispute resolution legal services.
- **Contract Integrity Center:** Provides full range services on product integrity & cost mischarging issues that involve top defense contractors.



- **In-plant link between the buying activity & the warrior**

- Monitoring on-time delivery of reasonably priced, quality products & services
- Expedite delivery of critically needed items
- Round the clock inspection & acceptance availability
- Oversight of contractor transportation & packaging processes,  
including issuance of Commercial Bills of Lading



- **Industrial Base Visibility & Analysis**

- Health, capacity & capability
- Supplier base, competition & foreign dependency

# Aircraft Operations

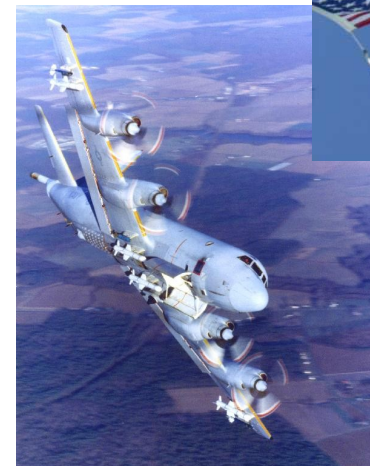
- Manage the flight test & acceptance of Government aircraft
- Approve contractors' aircraft operating procedures, flights, & flight crews
- Assure that contractors maintain flight operations & safety programs as prescribed by the contract



# Aircraft Operations

- Aviation Program Teams located at over 30 CMOs & 50 sites Worldwide
- 192 Service members (114 Officers, 8 Warrants, 70 Enlisted)
- Single provider of training for Government Flight Representatives, & Aviation Maintenance Managers
- Flew over 8,000 sorties, 15,000 flight hours

**Delivered over 1,200  
aircraft in 2004**



# Product Assurance

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- Traditional Quality Assurance Focuses on Production & Inspection
  - Systems, Engineering, Production Surveillance
  - Lean Activities & Continuous Product Improvement
- Agency Chartered IPT Building Strategic Product Assurance Approach for the Agency
  - Based on the Acquisition Life Cycle
    - System Development and Demonstration
    - Production and Sustainment

- **Pre-Award Support**

- Consulting on potential EVM Applications
- Provide Insight on Proposed Supplier EVMS

- **Post-Award Support**

- Perform Compliance Reviews
  - Ensuring the integrity & effectiveness of EVM process applications
  - Leading capability assessments & reviews for cause
- Consult / Assist PMs regarding IBR Preparation
  - We have information to help your planning process & review
  - We can identify Management Systems Health & Risk
- Advise on Program Analysis
  - EV Data visible to all (PEO/MDA/SAE/OSD)
  - Leverage DCMA when data integrity is questioned
  - Understand differences in Estimates at Completion (EAC)
- Advise on Risk-Based Systems Surveillance

# Our Transformation Tenets

**Performance Management**

**Customer Focus**

- Latitude and Innovation to Improve Customer Satisfaction
  - Use Other's Best Practices to the Fullest
- Measure Performance Using Customer Criteria
- Do More Moderate/High Risk Work
- More Labor Hours on Direct Customer Support; Less on Indirect Overhead
- Responsibility and Accountability
- Maintain Compliance Where Necessary
  - (i.e., when required by law or customer expectations — e.g., flight safety)



# Focus on Outcomes vs. Process



✓ Item

**Customer**

**Outcome  
(s)**



✓ \$

